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March 11, 2004

Ref: 3201-21801

Honorable James H. Welsh Commissioner of Conservation Post Office Box 94275 Baton Rouge, LA 70804-4275

Re:

Hearing Application 14700' Zone, Reservoir B

SOUTH MERMANTAU FIELD, Acadia Parish, Louisiana

Applicant: Wagner Oil Company

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Wagner Oil Company** the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the 14700' Zone, Reservoir B in the South Mermantau Field, Acadia Parish, Louisiana:

In its application, Wagner Oil Company intends to request the following, to wit:

- To redefine the 14700' RB SUA previously defined in Office of Conservation Order No. 385-A-6, effective January 30, 1996;
- To permit applicant, Wagner Oil Company to drill, designate and utilize Wagner Oil Company-Spurgeon No. 3ST as an alternate unit well for the 14700' RB SUA, such well to be at the location shown on the plat attached hereto and made a part hereof;
- To confirm the unit established by Office of Conservation Order No. 385-A-6, effective January 30, 1996;
- 4. To confirm Wagner Oil Company as the operator of the 14700' RB SUA;
- 5. To make a specific finding that such proposed alternate unit well is necessary to effectively and efficiently drain a portion of the 14700' RB SUA which cannot be efficiently and economically drained by any other well within the unit;
- 6. To grant a single unit allowable for the 14700' RB SUA and to permit the operator of the unit to produce said unit allowable from the unit well, the proposed alternate unit well, or from both wells at its option;
- 7. To find that, except to the extent contrary to the order granted by the Commissioner of Conservation in connection with the hearing held on this application, the provisions of Office of Conservation No. 395-A-6 shall remain in full force and effect;

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8. To provide that the Commissioner of Conservation should be authorized to reclassify the sand and reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of each reservoir changes and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation, and

9. To consider such other matters which may be pertinent to this application as shown by the evidence presented at the hearing held on this matter.

The 14700' Sand, Reservoir B, South Mermantau Field, Acadia Parish, Louisiana was previously defined in Office of Conservation Order No. 395-A-6, effective January 30, 1996 and is redefined as the 14700' Zone, Reservoir B being that gas and condensate bearing zone encountered between the measured depths of 14,926 feet and 15,360 feet (14,794 to 15228 vertical depth) (electrical log measurements) in Wagner Oil Company-Spurgeon No. 3ST Well, located in Section 39, Township 11 South, Range 2 West.

In compliance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, a pre-application conference was held in Lafayette, Louisiana on March 7, 2005. Attached hereto and made a part hereof is a list of the names and addresses of the parties who were in attendance at that conference. The conference was opened by Mr. B. J. Duplantis. Mr. Bill Robbins of W. H. Robbins & Associates, Inc. presented the plan of applicant. Questions were asked and answered. The applicant indicated that it would change its zone definition as provided above for its pre-application notice. It is anticipated that there will be no opposition at the public hearing on this matter.

Attached hereto and made a part hereof is a plat outlining the 14700' RB SUA, showing the location of the alternate unit well together with a list of the names and addresses of all interested owners, interested parties and represented parties who are known to the applicant after reasonable search. A reasonable effort was made to ascertain the names and addresses of all such parties.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this hearing application. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

Upon receipt of the legal notice in the captioned matter, the notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Art Christy of W. H. Robbins & Associates, 302 LaRue France Lafayette, La 70508 (337) 232-5004.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

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BJD/ht Attachments

Mr. Richard Hudson District Manager Office of Conservation

All Interested Owners, Represented Parties and Interested Parties $\,$

